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Australia

Stone Fruit

Annual

2009

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Report Highlights:
Post has forecast total peach and nectarine production to fall in CY 2010 due to reduced tree numbers and planted area. Plumb production is also forecast to decline although exports are forecast to increase slightly due to an anticipated return to average seasonal conditions and improved quality. Production and exports of cherries are expected to increase again in CY 2010 as a result of increased tree numbers and area and an assumed return to normal weather conditions. Imports of cherries from the US are expected to increase modestly despite high prices and the poor economic outlook

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Includes PSD Changes: Yes
Includes Trade Matrix: No
Annual Report
Canberra [AS1]
[AS]

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SECTION ONE: SITUATION AND OUTLOOK

PEACHES

Production

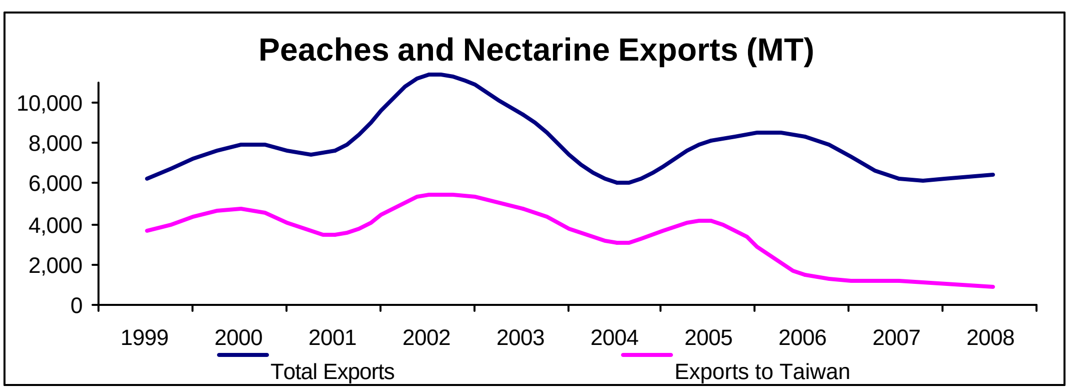
Total peach production for CY 2010 is forecast at 105,000 MT, down slightly on the previous year. Industry sources advise that a lack of new tree plantings will likely constrain increases in production for the foreseeable future. Post sees the long term trend for peach production declining slightly on an annual basis as older plantings are removed and not adequately replaced due to poor profitability.

Post advises that the CY 2009 harvest is almost complete. Post has revised its estimate for CY 2009 production downwards to 105,500 MT to account for drought conditions and a continued lack of irrigation water supplies in some districts. Industry sources advise that the crop was largely unaffected by extremely hot weather conditions in February (which reached record levels in some areas) that arrived too late to damage the crop.

Exports

Total peach and nectarine exports for CY 2010 are forecast at 6,000 MT, down slightly on the revised estimate for the previous year. Post sees a forecast of this level to be largely in line with the long term decline experienced by the industry since CY 2002, when exports peaked at 10,636 MT. Industry sources suggest a lack of "viable export opportunities" have constrained exports since this peak in exports.

Post has revised estimated exports for CY 2009 upwards to 6,500 MT. A lower Australian dollar (compared with year previous) has greatly improved the competitiveness of Australian peach and nectarine exports. Industry sources also suggest lower levels of competition from other suppliers compared with the previous year have also boosted prospects for CY 2009.



Source: World Trade Atlas data

Policy

The Australian summer fruit industry warmly welcomed the new market access arrangements for the export of peaches, nectarines, plums and apricots to Canada at the conclusion of negotiations over import protocols. However, post notes with interest that in the first year of trade (CY2008), Australia exported only 56 MT of peaches and nectarines to this market although a lower Australian dollar will likely boost these exports in CY 2009.

PLUMS

Production

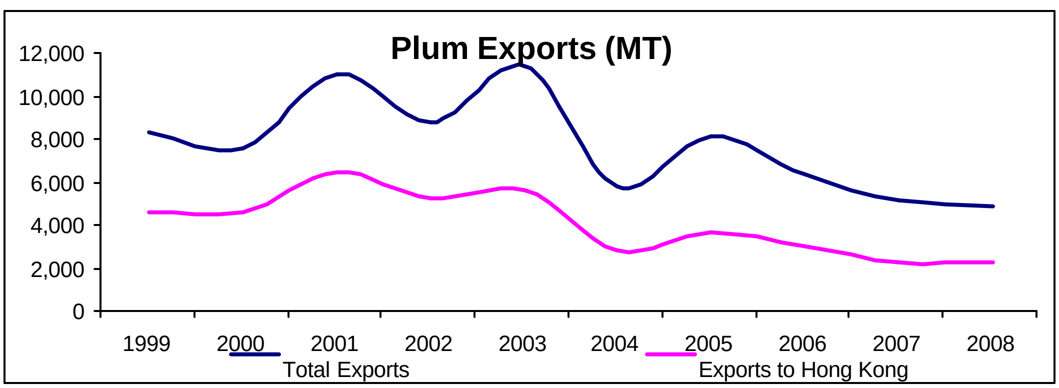
Total plum and prune production for CY 2010 is forecast at 31,000 MT, up on the previous year's level of production. An assumed return to more normal weather conditions is expected to see production increase despite the continued fall in planted area and tree numbers.

The production estimate for CY 2009 has been revised downwards to 29,000 MT. The Australian plum harvest typically runs from late February to April, and so was adversely affected by record high temperatures received prior to harvest. Post estimates the total impact of this weather event, combined with others such as drought and reduced water supply, combined to cut production by around ten percent. Media reports have production cut by 25 percent in some areas and crop quality has also been affected.

Exports

Total plum exports are forecast at 4,000 MT in CY 2010. An assumed return to more normal weather conditions is expected to see improvement in production in some areas, however the long-term decline experienced by the industry combined with poor weather conditions will likely see exports decline slightly. Industry sources suggest a lack of export opportunities, particularly the loss of Taiwan as a market, is also constraining production and exports.

Post advises that the poor outlook for Australian plum production is likely responsible for a lack of new plantings and declining productive capacity.



Source: World Trade Atlas data

CHERRIES

Production

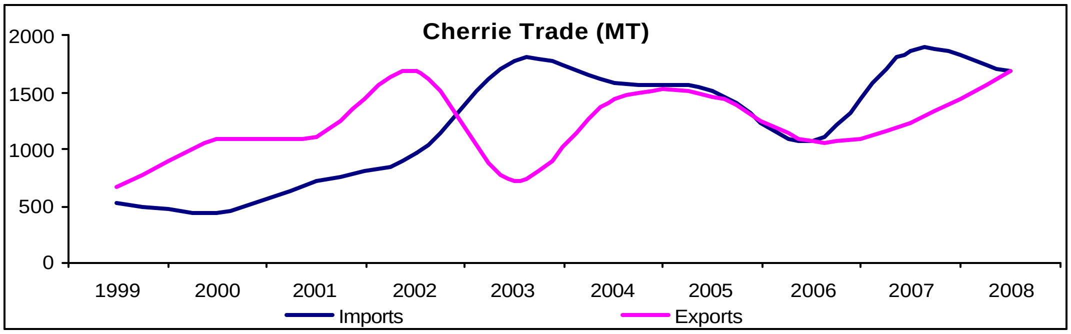
Total cherry production is forecast to increase to 13,750 MT, up on the estimate for the previous year. Increased plantings, particularly in the state of Tasmania, combined with a return to more normal weather conditions will likely place upward pressure on cherry production for the foreseeable future. Industry sources advise that increased plantings in Tasmania are a result of apple producers switching to cherry production due the improved long-term price outlook.

Post has revised cherry production for CY 2009 downwards to 11,250 MT in line with industry reports of poorer production conditions. The CY 2009 cherry harvest is almost complete and industry sources suggest poorly timed rain and drought conditions are likely to have decreased production by around 10 percent.

Exports

Cherry exports for CY 2010 are forecast at 1,900 MT, up on the previous year. Post advises that cherries produced in the island state of Tasmania, where annual production is increasing significantly, have excellent export opportunities. According to industry sources, this is due to the time of year (February) in which they are harvested (with little international supply competition) and the high level of pest and disease freedom.

Post has revised estimated exports for CY 2009 to 11,250 MT. The downward revision in production comes despite a lower Australian dollar, and is driven by a smaller crop a some quality issues.



Imports

Imports are forecast to grow modestly to 1,900 MT in CY 2010. Post advises that, according to official trade data, the vast majority of imported cherries are sourced from the United States, with only small tonnages sourced from New Zealand.
Industry sources expect demand to continue growing despite higher prices and the poor economic outlook.

SECTION TWO: STATISTICAL TABLES

PSD Table

Fresh Peaches & Nectarines

	2008	Revised		2009	Estimate		2010	Forecast		UOM
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	
Market Year Begin		01/2008	01/2008		01/2009	01/2009		01/2010	01/2010	MM/YYYY
Area Planted	1,975	1,975	1,975	1,975	1,965	1,965		1,955	1,955	(HA)
Area Harvested	0	0	0	0	0	0		0	0	(HA)
Bearing Trees	2,650	2,650	2,650	2,650	2,550	2,650		2,450	2,450	(1000 TREES)
Non-Bearing Trees	350	350	350	350	350	350		350	350	(1000 TREES)
Total Trees	3,000	3,000	3,000	3,000	2,900	3,000		2,800	2,800	(1000 TREES)
Commercial Production	110,000	110,000	110,000	110,000	105,000	105,500		110,000	105,000	(MT)
Non-Comm. Production	0	0	0	0	0	0		0	0	(MT)
Production	110,000	110,000	110,000	110,000	105,000	105,500		110,000	105,000	(MT)
Imports	0	0	0	0	0	0		0	0	(MT)
Total Supply	110,000	110,000	110,000	110,000	105,000	105,500		110,000	105,000	(MT)
Fresh Dom. Consumption	50,000	50,000	50,000	50,000	50,000	50,000		52,500	50,000	(MT)
Exports, Fresh	7,000	5,471	5,659	7,000	4,500	6,500		5,500	6,000	(MT)
For Processing	53,000	54,529	54,341	53,000	50,500	49,000		52,000	49,000	(MT)
Withdrawal From Market	0	0		0	0	0		0	0	(MT)
Total Distribution	110,000	110,000	110,000	110,000	105,000	105,500		110,000	105,000	(MT)

PSD Table
Fresh Plums & Prunes

	2008	Revised		2009	Estimate		2010	Forecast		UOM
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	
Market Year Begin		01/2008	01/2008		01/2009	01/2009		01/2010	01/2010	MM/YYYY
Area Planted	1,235	1,235	1,235	1,235	1,235	1,235		1,100	1,100	(HA)
Area Harvested	1,200	1,200	1,200	1,200	1,200	1,200		1,200	1,200	(HA)
Bearing Trees	1,550	1,550	1,550	1,550	1,550	1,550		1,500	1,500	(1000 TREES)
Non-Bearing Trees	1,200	1,200	1,200	1,700	1,700	1,700		1,500	1,500	(1000 TREES)
Total Trees	2,750	2,750	2,750	3,250	3,250	3,250		3,000	3,000	(1000 TREES)
Commercial Production	32,000	32,000	32,000	32,000	32,000	29,000		35,000	31,000	(MT)
Non-Comm. Production	0	0	0	0	0	0		0	0	(MT)
Production	32,000	32,000	32,000	32,000	32,000	29,000		35,000	31,000	(MT)
Imports	0	0	0	0	0	0		0	0	(MT)
Total Supply	32,000	32,000	32,000	32,000	32,000	29,000		35,000	31,000	(MT)
Fresh Dom. Consumption	22,530	22,530	22,812	22,500	22,500	20,000		24,550	21,500	(MT)
Exports, Fresh	4,470	4,470	4,188	4,500	4,500	4,000		4,950	4,500	(MT)
For Processing	5,000	5,000	5,000	5,000	5,000	5,000		5,500	5,000	(MT)
Withdrawal From Market	0	0		0	0			0	0	(MT)
Total Distribution	32,000	32,000	32,000	32,000	32,000	29,000		35,000	31,000	(MT)

PSD Table

Fresh Cherries,(Sweet&Sour)

	2008	Revised		2009	Estimate		2010	Forecast		UOM
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	
Market Year Begin		01/2008	01/2008		01/2009	01/2009		01/2010	01/2010	MM/YYYY
Area Planted	1,140	1,140	1,140	1,190	1,190	1,190			1,240	(HA)
Area Harvested	800	999	999	950	1,050	1,050			1,050	(HA)
Bearing Trees	2,000	2,000	2,000	2,100	2,200	2,100			2,200	(1000 TREES)
Non-Bearing Trees	0	0	0	0	0	0			0	(1000 TREES)
Total Trees	2,000	2,000	2,000	2,100	2,200	2,100			2,200	(1000 TREES)
Commercial Production	9,500	12,500	12,500	10,000	13,000	11,250			13,750	(MT)
Non-Comm. Production	0	0	0	0	0	0			0	(MT)
Production	9,500	12,500	12,500	10,000	13,000	11,250			13,750	(MT)
Imports	1,859	1,250	1,676	2,000	1,450	1,800			1,900	(MT)
Total Supply	11,359	13,750	14,176	12,000	14,450	13,050			15,650	(MT)
Fresh Dom. Consumption	10,124	12,500	12,480	10,550	13,000	11,250			13,750	(MT)
Exports, Fresh	1,235	1,250	1,696	1,450	1,450	1,800			1,900	(MT)
For Processing	0	0	0	0	0	0			0	(MT)
Withdrawal From Market	0	0	0	0	0	0			0	(MT)
Total Distribution	11,359	13,750	14,176	12,000	14,450	13,050			15,650	(MT)

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AS9010	Livestock Semi-Annual	03/06/09
AS9009	Government Announces A$32m Research into Soil Carbon & Emissions	03/06/09
AS9008	Wine Annual 2009	03/05/09
AS9007	New Import Conditions for Chicken Meat Finalized	03/05/09
AS9006	Cotton Quarterly Update – March	02/20/09
AS9005	Agricultural situation 2009	02/11/09
AS9004	Govt. announces A$9 million boost to wood export industries	01/29/09